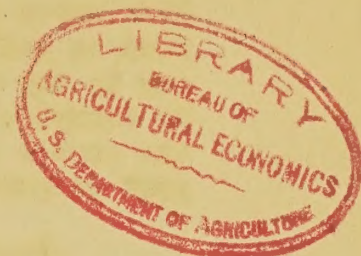


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JUL 28 1938UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration1939 AGRICULTURAL CONSERVATION PROGRAMProposed Changes from the 1938 Agricultural
Conservation Program

It is proposed that the 1939 Agricultural Conservation Program be quite similar to the 1938 program with changes made only for the purpose of securing greater refinement in detail of operation, further adapting the program to the needs of the various agricultural areas of the United States, and obtaining greater equity among participants.

GENERAL CHANGESAreas based on applicability of general crop provisions.

Under the 1938 Agricultural Conservation Program as it related to general soil-depleting crops the United States, in effect, was divided into two areas designated as A and B. In area A, which included all of the North Central Region, North Dakota, Kansas, Oklahoma, Texas, eastern Montana, Wyoming, Colorado and New Mexico, northwest Arkansas, and a group of counties in California, the acreage allotment established for general soil-depleting crops averaged approximately 12 percent below the normal acreage of these crops. In the B area acreage allotments for general crops were based either on the normal acreage of such crops or on the home consumption needs, whichever was the greater, and all of the payment computed with respect to the general crop acreage, as well as that computed with respect to the soil-conserving acreage, was required to be earned by carrying out soil-building practices. In the B area the rate of payment with respect to both the general crop acreage and the soil-conserving acreage was 70 cents per acre. The corresponding rates in the A area were \$1.25 per acre, adjusted for productivity, on the general crop acreage, and 50 cents per acre on the soil-conserving acreage.

For 1939 it is proposed that the United States be divided into three areas, such areas to be designated as areas A, B, and C.

Area A - Area A will include the North Central Region, except that portion included in Area C and parts of North Dakota, Kansas, Oklahoma, Texas, possibly northwest Arkansas, and certain counties in States west of the States enumerated.

In Area A the 1939 program with respect to general crops will be the same as in 1938, except that:

1. For small farms a producer may earn his maximum payment by conforming fully to the acreage allotments and the soil-building goal determined in the same manner as for large farms or, if he exceeds his general soil-depleting acreage allotment by not more than five acres and in doing so does not have more than 20 acres classified as soil-depleting, he may earn his maximum payment by conforming to any special acreage allotments established for the farm and by carrying out a number of practice units equal to two-thirds of the number of dollars in the payment for the farm other than that part computed on special allotments.

(Provision could be incorporated to make this option inapplicable in counties in which less than 5 percent (more or less) of all farms in such counties would be entitled to exercise it.)

2. It is proposed that the average amount of diversion required in meeting the general crop acreage allotment be reduced, the rate of payment computed on the general crop acreage allotment decreased, and the rate on the soil-conserving acreage increased.

3. It is proposed that a portion (possibly 10 percent) of the payment computed for the farm on the special crop acreage allotments be required to be earned by carrying out soil-building practices.

Area B - Area B would include all of the East Central Region and those portions of the Southern and Western Regions not included in area A. It has been suggested that most of the principal wheat-producing areas of the Great Plains States, including the wheat-producing areas of Nebraska and South Dakota, be included in area B, rather than area A, in 1939 in view of the fact that a substantial reduction in wheat acreage will be required in 1939 and it may be difficult, and possibly undesirable, for the farmers in these areas to make a reduction in their feed grain acreage in addition to the reduction called for in their wheat acreage.

In area B it is proposed that the 1939 Agricultural Conservation Program be the same as in 1938, insofar as it related to general crops, except that deductions for increasing the acreage of general crops would not be made on any farm on which the 1939 acreage of general soil-depleting crops does not exceed the acreage allotment therefor by more than five acres and the total acreage of soil-depleting crops does not exceed 20 acres.

Area C - Area C will include the Northeast Region and those counties in the North Central Region in which less than 15 percent (more or less) of the farms have in 1938 total soil-depleting acreage allotments of more than 20 acres. In area C total soil-depleting acreage allotments would not be established but corn limits and vegetable acreage limits

would be established for certain classes of farms and deductions would be made at flat rates per acre for exceeding these limits. The farms for which corn and vegetable limits would be established would include all farms for which a wheat, potato or other special crop acreage allotment is established. The minimum corn acreage limit or vegetable acreage limit which would be established for any farm would be five acres (or more).

Special crop acreage allotments would be established on the same basis as in other areas and payments on special acreage allotments would be computed in the same manner as in other areas. The acreage of cropland in excess of the special crop acreage allotments would be multiplied by a flat rate per acre and would be earned by performing a number of practices determined by multiplying such amount by two-thirds.

CHANGES IN DATES, TERMS, SECTION NUMBERS, ETC.

Throughout the bulletin it will be necessary to make technical changes, such as changes in dates, and substituting references to the 1938 acreage allotments for references to 1937 base acreages. Also, in order to conform to Federal Register requirements some changes in numbering of sections, paragraphs, and sub-paragraphs may be necessary. No reference to such changes will be made in the discussion of the specific changes proposed to be made from the 1938 program bulletin in drafting the 1939 program bulletin.

CHANGES WITH RESPECT TO SPECIFIED SECTIONS OF THE 1938 AGRICULTURAL CONSERVATION PROGRAM

Section I - National and State acreage allotments and goals.

National and State acreage allotments and goals will be revised and brought up to date and a national goal for wheat determined.

(The wheat acreage allotment for 1939 under Title III of the Agricultural Adjustment Act of 1938, as amended, is 55,000,000 acres, and it is probable that this acreage will be the national wheat acreage allotment under the 1939 Agricultural Conservation Program. Under Title III of the Agricultural Adjustment Act of 1938 the cotton acreage allotment for 1939 will be practically the same as for 1938. Also, the corn acreage allotment will be approximately the same in 1939 as in 1938 if subsequent crop reports do not indicate production substantially different from that indicated July 1. Other acreage allotments will be decreased or increased in accordance with supply conditions at the time determinations are made.)

Section II - County acreage allotments and goals.

County acreage Allotments and goals will be redetermined in a manner similar to that employed in determining such allotments and goals for 1938.

Section III - Farm Acreage Allotments and Goals.

Total soil-depleting acreage allotments would be determined for farms

in area A in a manner comparable to that used in 1938. Wheat, corn, cotton, tobacco and potato acreage allotments will be determined for farms in all areas in a manner comparable to that used in 1938. However, consideration is being given to some revisions in details of procedure in the determination of total soil-depleting and corn acreage allotments in the North Central Region. Three alternative proposals have been submitted to the State committees for their consideration. Provision will be made for establishing corn acreage limits and commercial vegetable acreage limits in area C on the basis of acreages grown in 1936, 1937, and 1938 with adjustments for abnormal weather conditions, crop rotation practices, and participation in the Agricultural Conservation Programs for those years. It is suggested that the minimum corn or vegetable acreage limits be five acres.

Section IV - Payment for Full Performance.

Appropriate changes will be made in all rates of payment so as to conform to the provisions of Section 104 of the Agricultural Adjustment Act of 1938.

(Section 104 of the Agricultural Adjustment Act of 1938 contains a definite formula for apportioning funds among the several commodities, or groups of commodities, with respect to which payments are made under the program. After determining the amount of funds apportioned to each commodity or group of commodities, the rate of payment for each special crop is determined by dividing the amount of funds allocated to that commodity by the estimated acreage allotments times the normal yield of the commodity on participating farms and the rate of payment for general crops is determined by dividing the amount of funds allocated to these crops by the estimated general acreage allotment on participating farms. Except for the estimate of participation, the procedure for establishing rates of payment is purely a mathematical application of a definite formula. However, under the formula the rate of payment with respect to a crop or group of crops varies significantly with the amount of diversion required for that crop or group of crops. Since the wheat acreage allotment for 1939 will be substantially smaller than the wheat acreage allotment for 1938, the rate of payment on the wheat acreage allotment will be increased and, assuming the same amount of diversion as in 1938 in the case of cotton, corn, and general crops, rates of payment on these items will tend to be decreased. A further decrease in the rate of payment with respect to general crops would result from lessening the average amount of diversion required).

For the purpose of computing maximum payment for a farm, payments with respect to corn or wheat acreage allotments of less than 5, will be computed at the general rate.

One rate of payment on potatoes will be applicable to all commercial potato areas. (Under the formula for apportioning funds and determining rates of payment, it appears that in 1939 the rate determined for early potatoes and late potatoes would be practically

the same if these rates were determined separately. It is proposed, therefore, that early potatoes and late potatoes be combined and a single rate determined for both. Special legislation relating solely to the 1938 program made it necessary to have different rates in 1938 even though the application of section 104 would have resulted in the same rate of payment for both classes of potatoes.)

Section V - Payment for Partial Performance.

A. In Area A:

1. Deductions for excess acreages of special soil-depleting crops will be derived in a manner similar to that in 1938, except that no deduction will be made on any farm with respect to corn or wheat if the 1939 acreage of corn or wheat, respectively, on the farm does not exceed five acres (or more).
2. A deduction rate will be established for exceeding wheat acreage allotments. (Under special legislation applicable to the 1938 program, wheat was required to be considered along with general soil-depleting crops in checking performance under the 1938 program. In 1939, it is proposed that compliance with the wheat acreage allotment be checked in the same manner as compliance in connection with other special crop acreage allotments).
3. A deduction rate for exceeding the total soil-depleting acreage allotment will be based on the general crop payment rate (probably 8 times) per acre.

(This change is in line with the general discussion relating to general crops and the fact that under the 1939 program deductions would be made for exceeding the wheat acreage allotment and therefore the rate of payment in connection with wheat acreage allotments need not be used in making deductions for exceeding the total soil-depleting acreage allotment.)

Consideration should be given to whether deduction rates should be determined in amounts that will result in the absorption of the maximum payment provided with respect to the crop at 100 percent, 105 percent, 95 percent, (or some other percentage) of the normal acreage.

B. In Area C:

1. Deductions for excess acreages of commercial vegetables and corn will be made at a flat rate (\$20.00 for commercial vegetables and \$10.00 for corn) per acre. The deduction rate will apply to commercial vegetables and corn grown in excess of the commercial vegetable acreage and corn limits.

Section VI - Division of Payments and Deductions.

Since the method to be followed in dividing payments, namely, in the same proportion that landlords, tenants, and sharecroppers are entitled to share in the proceeds of the agricultural commodity with respect to which such payments are made, is specified in the Soil Conservation and Domestic Allotment Act, as amended, no substantive change in this section is proposed.

Section VII - Increase in Small Payments.

Same as in 1938.

The following new section will be inserted following section VII:

"Section - Payments Limited to \$10,000.

The total of all payments made in connection with programs for 1939 under section 8 of the Soil Conservation and Domestic Allotment Act to any individual, partnership, or estate with respect to farms, ranching units, and turpentine places located within a single State, territory, or possession, shall not exceed the sum of \$10,000. The total of all payments made in connection with programs for 1939 under section 8 of the Soil Conservation and Domestic Allotment Act to any person other than an individual, partnership, or estate with respect to farms, ranching units, and turpentine places in the United States (including Alaska, Hawaii, and Puerto Rico) shall not exceed the sum of \$10,000".

Section VIII - Deductions Incurred on Other Farms.

Same as in 1938.

Section IX - Deductions for Association Expenses.

Same provision as in 1938 except that the deduction for association expenses will not be limited to 10 percent of all agricultural conservation payments made in the county as in previous years.

Section X - Materials Furnished as Grants of Aid.

It is contemplated that provisions will be made for the furnishing of agricultural limestone and possibly superphosphate or other materials in restricted areas in the North Central Region where such practice will be found feasible.

Section XI - General Provisions Relating to Payments.

Same as in 1938 except for minor revisions.

Section XII - Application for Payment.

Same as in 1938.

Section XIII - Soil-Depleting Crops.

The following major changes are proposed with respect to the classification of crops in 1939.

1. Cotton would be classified on a planted acreage basis.

2. Item 20, "canning peas", would be revised to read "canning and dried peas".

3. Subsection B would be revised to read as follows:

"B. Land planted to wheat between August 1, 1938 and July 31, 1939 except:

(1) When in the East Central Region, designated counties in Area B of the Southern Region, or in humid areas to be designated in the Western Region, the acreage of such crop is used as a nurse crop or cover crop and is not harvested for grain or hay;

(2) When in Washington, Oregon, Idaho, and Utah, the acreage is seeded to true-type winter wheat in the spring of 1939 (prior to June 15) on non-irrigated cropland and such crop is used only as a pasture crop or cover crop;

(3) When the acreage of such crop is used as a green manure crop in orchards or on commercial vegetable or potato land or such other land as may be specified by the Administrator".

(A further exception that has been suggested is

"() When the acreage of such crop is used for pasture, the operator's request to plant wheat for pasture is approved by the county committee prior to a specified date (early in fall of 1938) and the area designated to be so used is fenced".)

(The 75th Congress appropriated \$212,000,000 for use in making parity payments on wheat, cotton, corn (in the commercial corn area), rice, and tobacco. These payments are to be measured by the normal yield of the acreage allotments established under the 1939 Agricultural Conservation Program and are contingent upon compliance with such allotments. It will be possible to make the parity payments with respect to wheat beginning about February 1, 1939, to wheat farmers whose farms at that time will have been checked to de-

termine whether the acreage planted for harvest in 1939 is within the wheat acreage allotment established for the farm. It is recognized that throughout the Great Plains Area practically all wheat planted is intended for harvest and all wheat acreage allotments have been established on the basis of planted acreages rather than harvested acreages. It is proposed, therefore, that compliance with the wheat acreage allotments in the principal wheat-producing areas, where wheat is not commonly used solely as a pasture or cover crop, will be checked in the fall of 1939 strictly on a planted acreage basis. In areas where wheat is commonly grown for purposes other than for harvest as grain or hay, and where abandonment because of unfavorable weather conditions is not a common occurrence, compliance will be checked on the basis of the acreage of wheat harvested for grain or hay. In such areas, it will be impossible to make parity payments to farmers until the summer of 1939.)

4. It is proposed that paragraph C be changed to read as follows:

"C. Land planted to oats, barley, rye, flax, amaranth, speltz, or mixtures of these crops, between August 1, 1938 and July 31, 1939 and harvested for grain or hay except (1) when such crop is used as a nurse crop and is cut green for hay with a mower in areas designated by the Administrator; and (2) when such crop is used in a mixture with winter legumes".

(Further exceptions that have been suggested are

(1) Any of such crops utilized in any manner but followed by a summer legume in designated areas (in southeastern States).

(2) Flax used as a nurse crop and harvested for any purpose.

5. Sweet sorghums will be depleting except when on sandy land in wind erosion areas a good stand is not pastured or harvested.

6. Soybeans will be depleting except when used as a green manure crop.

7. Delete subsection F, which relates to summer fallow in the States of Washington, Oregon, Idaho, and Utah.

8. The explanatory paragraphs will be revised to provide that any land which is planted or devoted at any time during the year to a crop for which a special crop acreage allotment is established would be regarded as devoted to that crop for all purposes of the program.

Section XIV - Soil-Building Practices.

1. In the second paragraph relating to credit for practices with respect to which labor or materials are furnished by Federal or State agencies, the following sentence will be added.

"No credit for meeting the soil-building goal shall be given for the planting and protection of forest trees planted under a cooperative agreement entered into with the Forest Service in connection with the Prairie States Forestry Project."

(In connection with the 1938 program there has been considerable uncertainty as to whether any credit should or would be given for forestry tree plantings made by the Forest Service under the Prairie States Forestry Project. In connection with this project the Forest Service furnishes the trees, plants the trees, constructs the fence, and otherwise assists the farmers in establishing a stand of forest trees and protective shrubs. The farmer is required to furnish fencing materials and to prepare and cultivate the land. For 1939 it is proposed that a uniform rule be established that no credit would be given for the planting of forest trees, but the credit will be given in the year of planting for cultivating and maintaining the forest trees. Under the 1938 program no credit was given during the year of planting for the cultivation and maintenance of forest trees).

2. The addition of the following paragraph has been proposed:

"The unit credits listed below are the maximum units allowable, and the credit for any practice on the item included may be adjusted downward by the State committee with the approval of the Administrator."

(It is reported that in many cases State committees are reluctant to omit practices from the list of practices applicable in the State, but recognize that the purposes of the program could be promoted if in that State less credit than the scheduled amount would be given for the carrying out of the practice. This provision is proposed with a view for making this possible.)

3. Practice A-11 will be revised to read as follows:

"Application of the following quantities of ground limestone or its equivalent in areas designated by the Administrator as areas in which the average cost of ground limestone to farmers is:

- | | |
|---|-----------|
| (a) Not more than \$2.00 per ton | 2,000 lb. |
| (b) More than \$2.00 but not more than \$3.00 per ton | 1,500 lb. |
| (c) More than \$3.00 but not more than \$5.00 per ton | 1,000 lb. |
| (d) More than \$5.00 per ton | 600 lb." |

4. Practice A-12 will be eliminated. (Practice A-12 was applicable in very limited areas in 1938 and, in view of the proposed changes in the rate of credit for the application of limestone under practice A-11, it is believed that practice A-12 would be unnecessary in 1939).

5. Practice B-1 will be revised to read as follows:

"Seeding biennial legumes, perennial legumes, perennial grasses, (other than timothy or redtop) or mixtures containing such perennial legumes, perennial grasses, or biennial legumes, not qualifying under practice C-2."

6. Practice B-2 will be revised to read as follows:

"Seeding winter legumes, annual lespedeza, crotalaria, or sesbania."

7. Practice C-1 will be deleted.

8. Practice C-2 will be revised to read as follows:

"Seeding permanent pasture grasses containing a full seeding of the following varieties: Dallis grass, carpet grass, Bermuda grass, Para grass, Bahia grass, perennial wheat grasses, perennial ryegrasses, and smooth brome (bromis inermis), Ladino white clover and wild white clover."

9. Practice C-3 will be revised to read as follows:

"Cultivating, protecting, and maintaining by replanting, if necessary, a good stand of forest trees planted between July 1, 1935 and July 1, 1939".

10. Practices D-3 (sanding cranberry bogs) and E-4 (protecting much land from wind erosion) will be deleted.

11. The following practice will be added as practice E-5.

"A fall seeding of annual ryegrass."

12. Transfer practice F-4 (stripcropping) from subsection F to subsection H.

13. Combine practices G-1 and H-1 (contour farming) at a rate of credit of one unit for each eight acres.

Section XV - Normal Yields and Productivity Indexes.

Same as in 1938.

Section XVI - Appeals.

Same as in 1938.

Section XVII - State and Regional Bulletins, Instructions and Forms.

Same as in 1938.

Section XVIII - Definitions

1. Include definitions of area A, area B, and area C and delete definitions of class A farms and class B farms.
2. The definitions of farm and cropland will be reconsidered with a view to making it more definite and its applications more uniform.
3. The definition of commercial vegetables will be revised to read as follows:

"COMMERCIAL VEGETABLES means the acreage of commercial vegetables and truck crops (including commercial bulbs and flowers, potatoes on farms where a potato acreage allotment is not established, sweetpotatoes, tomatoes, sweet corn, melons, cantaloupes, and strawberries, when sold as fresh vegetables or as truck crops, but excluding any of such acreage when sold for canning, and excluding also artichokes for use other than as vegetables) of which the principal part of the production is sold to a person not living on the farm."

4. The commercial corn-producing area will be redetermined in accordance with the provisions of Title III of the Agricultural Adjustment Act of 1938.
5. The definitions of early potato-producing area and late potato-producing area will be eliminated.

Range Program

1. Continue study of limited grazing through experimental county programs.
2. Consider varying rate of payment for deferred grazing so as to provide a lower rate in areas where grass does not lose its nutritive value after seed drops.
3. Decrease rate of payment for construction of dams and reservoirs from 15 cents to 10 cents per cubic yard of earth moved. (This would make rates the same under both farm and range programs and it is reported that in some cases ranchers are letting contracts at 10 cents per cubic yard.)
4. Decrease rate of payment for planting trees from \$10.00 to \$7.50 and for maintaining trees from \$4.00 to \$3.00 to equalize rates between farm and range program.

